



GOVERNMENT OF
NEWFOUNDLAND
AND LABRADOR

DEPARTMENT OF FINANCE
TAXATION AND FISCAL POLICY BRANCH

Bulletin No. Gas 304
Issue Date: June 2003

TAX INFORMATION BULLETIN
GASOLINE TAX
Farming Exemptions

Under the Gasoline Tax Act fuel used by a **farmer** in **qualifying equipment** for **farming purposes** is exempted from the Gasoline Tax.

A farmer is defined as a person in the business of producing natural products for sale who is a registered producer under paragraph 9(1)(k) of the *Natural Products Marketing Act* and has sold a minimum of \$5,000 of natural products. Farming is defined as the production of natural products for sale.

Qualifying Equipment

This exemption applies to qualifying equipment used by a farmer for farming purposes. Qualifying equipment in these circumstances are:

- Equipment specifically designed or modified for farming. This includes tractors, combines, foragers, tillers and such, or,
- A vehicle specifically designed or modified for use in spreading or transporting agricultural liquid or slurry. Such vehicles must be equipped with an enclosed tank and meet environmental standards.

Exemption Method

Marked Diesel Permit

A farmer consuming diesel fuel in equipment qualifying for the exemption is required to obtain a marked diesel permit from the Department of Finance. This permit authorizes the farmer to purchase tax exempt marked fuel for consumption in the qualifying equipment. This is an annual permit which must be renewed no later than March 31st of each calendar year.

A farmer may not use furnace fuel to power an internal combustion engine. This is a violation of the Gasoline Tax Act. The farmer must purchase marked diesel using their exemption permit.

Tax Rebate

A farmer consuming fuel (other than diesel fuel) in equipment qualifying for the exemption may apply for a rebate of the tax paid upon that fuel. A rebate must be claimed within three (3) years from the date of purchase of the fuel. Rebate forms may be obtained by contacting the Department or on the website at www.gov.nl.ca/fin/. Applications should be submitted to the address below.

A rebate cannot be obtained on diesel fuel. Rebates of tax on diesel fuel are specifically prohibited under the Act. Farmers are required to obtain a marked diesel permit and purchase marked diesel for qualifying equipment to avail of the exemption.

Non-qualifying equipment

The fuel tax exemptions do not include fuel used in trucks, automobiles, snowmobiles or all terrain vehicles, whether or not licensed under the *Highway Traffic Act* and regardless of the purpose for which this equipment is being used. Consumption of marked fuel in non-qualifying equipment is a violation of Section 40(2) of the Gasoline Tax Act. Detection of dyed fuel in non-qualifying equipment is an offence under the Act and is subject to prosecution and/or assessment.

Should you require further information regarding an exemption permit, rebate or information regarding any of the tax laws administered by the Tax Administration Division, please contact the office at:

Department of Finance
Tax Administration Division
Confederation Building
P.O. Box 8720
St. John's, NL
A1B 4K1
Phone: (709) 729-6297
Fax: (709) 729-2856

<p>Disclaimer: This bulletin is prepared as a guideline and interpretation of the statute. Where a conflict between the bulletin and statute arises, the statute will take precedence.</p>
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